

The renewable electricity is physically delivered to Western's transmission system and the Green Tag is delivered to the purchasing Federal agency regardless of location. Federal facilities continue to pay for the power needed to meet load from their current supplier without change. The price for the Green Tag is the difference between the renewable resources price and Western's avoided cost. Transmission costs to deliver the energy to the site are not required, although transmission is needed to deliver the renewable energy to Western's transmission system. The total cost (including transmission costs) will be negotiated; a fixed price with a periodic adjustment would assure that the full benefits/costs of this service are passed through to the Federal agency. Existing Western customers could combine payments for Green Tags with payment for Western's hydroelectric power.

Current Green Tag costs from a variety of suppliers are shown at [http://www.eere.energy.gov/greenpower/certif\\_summ.shtml](http://www.eere.energy.gov/greenpower/certif_summ.shtml)

#### PRODUCT BENEFITS:

- No transmission costs for the Green Tag.
- No impact on your existing power supplier.

## Sample Purchases

- Western recently entered into a renewable power purchase with American Electric Power on behalf of Edwards Air Force Base in California. The contract term is five years and the price is \$78.50/MWh.
- In 2002, Western purchased Green Tags from Basin Electric Power Cooperative on behalf of Ellsworth (South Dakota) and Warren (Wyoming) Air Force bases. The cost was \$25/MWh for five years.
- Although future prices may vary, Western is a non-profit agency and provides renewable resource services based on our cost.

## How do I sign up?

- Federal agencies interested in renewable power will sign commitment letters with Western detailing
  - the type of product desired
  - the quantity to be purchased and
  - the desired price range
- After sufficient commitment letters have been signed, Western will issue a renewable Request for Proposal.
- Resulting bids will be reviewed, and if deemed acceptable, Western will sign a contract with the renewable provider and with each of the federal agency site(s).

Benefits of Western's renewable resource services will be retained by Federal customers. Resale of renewable resource products provided by Western is not allowed.

## For more information

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Western, in cooperation with the Department of Energy's Federal Energy Management Program (FEMP), is working to increase the renewable power options available to Federal agencies.

# RENEWABLE RESOURCES for Federal Agencies



**Power** from renewable resources offers many benefits. Federal agencies can take advantage of these benefits by using renewable resources for some or all of their electricity needs through a program offered by Western Area Power Administration geared just for Federal agencies.

## Why purchase renewable power?

- Achieve environmental benefits such as decreased air pollution from fossil fuel-fired power plants
- Increase national security by lessening our dependence on imported energy
- Manage your exposure to rising or volatile energy prices
- Support local economic development by creating local jobs and generating local tax revenue
- Comply with administration goals for Federal agencies to increase use of renewable energy to 2.5 percent by 2005
- Comply with E.O. 13123 goals to reduce greenhouse gas emissions 30% by 2010 and to reduce energy use 30% by 2005

Federal agencies that purchase renewable power may also be eligible to join the Environmental Protection Agency Green Power Partnership, a voluntary program designed to reduce the environmental impact of electricity generation by promoting renewable energy. (See the EPA GPP Web site at <http://www.epa.gov/greenpower/> for details).



## How can Western help you meet your goals?

Western is a Federal power marketing administration that sells hydroelectric power in 15 states in the central and western U.S. For more information, see our Website at <http://www.wapa.gov>.

Western offers three renewable products for Federal agencies.

### Renewable Power

Western can buy renewable energy for Federal agencies with load within our 15-state service territory, whether the agency is an existing Western power customer or not. This energy would be physically delivered for use by the agency. Existing power supply and transmission arrangements will need to be modified to allow for this delivery. This power will be in addition to existing Western allocations (if any), so the total power received from Western increases. Costs will include renewable power generation, transmission and related ancillary services, and program administration. Western expects that the renewable power cost will be fixed for the term of the contract.

#### PRODUCT BENEFITS:

- Electricity cost stability
- Potentially lower cost than conventional power generation (especially over the long term)

### Supplemental Renewable Energy

Under this class of service, Western can acquire renewable energy to supplement firm power deliveries to existing customers only.

Western delivers hydroelectric power to its firm electric service customers under project-specific marketing plans. Western's delivery obligations are firm, while the hydroelectric resource is variable in nature. When hydrogeneration is abundant, Western sells surplus energy to regional utilities. Conversely, when generation is low—such as during a drought—Western purchases firming energy to meet its contractual obligations. Historically, the costs and revenues from these purchases and

sales were blended into the rate base and shared by all customers that purchase power from a specific project.

Recently, Western has developed approaches that allow customers more choice. Under the Central Valley Projects Post 2004 Marketing Plan, an eligible Western customer (either Federal or non-Federal) may elect to purchase supplemental renewable energy as a custom product from Western at the customer's expense. Similar purchases can be made under the provisions of marketing plans for the Salt Lake City Area Integrated Projects and the Loveland Area Projects. Comparable services requested for other projects would be considered on a case-by-case basis. This product offers energy which either supplements hydropower and/or replaces some of the firming energy with renewables. Customers still pay the hydropower price, plus an additional fixed expense for the supplemental renewable energy costs. No new transmission arrangements are required to deliver this power to the customer.

#### PRODUCT BENEFITS:

- No need for your agency to negotiate additional transmission
- Little likelihood of opposition by existing power suppliers
- Billing simplicity

### Renewable Energy Certificates (Green Tags)

Western can also purchase renewable energy and sell the environmental attributes, commonly called Green Tags, to interested Federal agencies. A Federal agency purchasing a Green Tag need not be an existing Western firm power customer.

Production  
of  
Renewable  
Energy

Renewable Energy  
Certificate (Green Tag)

Electricity (kWh)